AGENDA
EXECUTIVE FINANCE COMMITTEE
January 23, 2013 at 1:30 P.M.
Location: Treasury Conference Room, KC Admin. Bldg., Room 610 (6th Floor)

Committee Members: Councilmember Joe McDermott, Chair, Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer

Staff: Scott Matheson, Treasury Operations Manager; Mike Smith, Investment Officer; Carol Basile, Financial Accounting Supervisor

AGENDA ITEMS

1. Action: Approval of Minutes of the December 5, 2012 Executive Finance Committee meeting. (page 2)
2. Briefing: Quarterly portfolio review of the King County Investment Pool by PFM (Handout)
John W. Molloy, CFA, Senior Managing Consultant, PFM Asset Management LLC
3. Action Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code)**:** Approve an automated interfund loan request for the Open Space Non-Bond Fund (3522) to facilitate the closing on the Eastside Rail Corridor project. The maximum loan amount requested is $1,499,104 and the term of the loan is 3/7/13. The loan will be repaid from the proceeds of a Federal Highway Administration grant. (pages 3-4)
Jennifer Lehman, Budget Analyst, PSB
4. Briefing: December 2012 Investment & Variable Rate Debt Summary
   - Update on the variable rate history for the 2009 King County Multi-Modal LTGO Bonds (page 5)
   - Investment Dealer Activity Summary — 2nd Half 2012 (page 6)
   - Issuer Diversification , Credit Exposure and Compliance Report (page 7)
   - King County Investment Pool Yield & Duration versus Custom Benchmark (page 8)
   - Detailed Transaction Report - Investment Activity Summary (page 9)
   - King County Investment Pool Asset Allocation (page 10)
   - King County Investment Pool Maturity Distribution (page 11)
   - Investment Performance Review & Impaired Pool Summary (pages 12-18)
   - Interest Rate Summary (page 19)

   Mike Smith, Investment Officer
5. Action: Committee's direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.

   Staff Recommendation: Direct the Treasury Section to maintain the maximum average duration of the King County Investment Pool at the 1.0 to 1.5 year range.
   Mike Smith, Investment Officer
6. Briefing: Interfund Borrowing for December 2012 (Handouts)
   - Interfund Interest Report – County Tier 2 Funds
   - Pooled Tier 1 County Funds with Negative Cash Balances
   - Excluded County Funds with Negative Balances – Tier 2 Funds Not Paying Interest

   Carol Basile, Financial Accounting Supervisor

   - Interfund Loans Among District & Non-County Funds
   - Interfund Interest Report – Non-County without Cash Management Services Agreement
   - Interfund Borrowings – EFC Approved Loans (page 20)

   Mike Smith, Investment Officer

OTHER BUSINESS

ADJOURNMENT

MINUTES (Revised Feb 2013)
EXECUTIVE FINANCE COMMITTEE
December 5, 2012

The Executive Finance Committee (EFC) Meeting was held December 5, 2012 at 1:30 and adjourned at 3:00 p.m.

Members Present	Others Present	Others Present - Continued	Members Absent
Joe McDermott	Patrick Hamacher	Mike Smith	
Caroline Whalen	Peggy Pahl	Carol Basile	
Dwight Dively	Tim Aratani	Christine Denis	
Ken Guy	Pete Sullivan, BOA	Dave Reich	
	Cindy West	Linda Bruce	
		Brenda Bauer	

ACTION ITEMS

1. ***Minutes*** – The Committee unanimously approved the Minutes of the October 24, 2012 Executive Finance Committee meeting.

2. ***Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code)*** – The Committee unanimously approved the following automated interfund loan requests from the Road Services Division: The County Road Fund (1030) was approved to borrow up to $25 million through December 31, 2013 with repayment from future property tax collections. The Road Capital Construction Fund (3860) was approved to borrow up to $20 million through December 31, 2014 with repayment from future property tax collections and from a $10 million payment from Seattle for the South Park Bridge project. The Roads Facilities Construction Fund (3850) was approved to borrow up to $5 million through December 31, 2014 with repayment from future property sales (Summit Pit)

3. ***Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code)*** – The Committee unanimously approved the automated interfund loan request from the Public Health Fund (1800) to borrow up to $15 million through 4/30/13 with repayment from future grant billings, grantor payments, and environmental health permit payments.

4. ***Nomination of EFC-Appointed IPAC Members:*** The Committee unanimously approved the nomination of Tim Aratani and Linda Glenicki to serve two-year terms on the Investment Pool Advisory Committee.

5. ***Investment Direction*** – The Committee approved the Treasury recommendation to maintain the maximum effective duration of the King County Investment Pool at the 1.0 to 1.5 year range.

6. ***Loaning Funds Identification*** – The Committee unanimously approved the request from the Chief Accountant to designate the Public Transit Rev Fleet Replacement Fund (ARMS fund 4642) as the lending fund for any EFC approved loan from surplus King County cash outstanding on December 31, 2012. The loans will be recorded as adjustments in the County's Financial Statements as of December 31, 2012 and will have no impact on interest distributions.

BRIEFINGS

1. ***Investment & Variable Debt Review for October 2012*** – The Committee was provided a review of investment performance and monthly investment activity. In addition the Committee reviewed the distribution of investment holdings by maturity, security type, credit rating, and issuer. The Committee was updated on the performance of the variable debt and on the payments received from the VFNC Trust investment. The Committee reviewed actual interest earning and fees versus budget. Finally, the Committee was briefed on the current interest rate and economic environment.

2. ***Interfund Borrowing*** – The Committee was provided a review of interfund borrowings during October 2012

OTHER BUSINESS

The Committee discussed the financial situation at the Vashon Park District. There was interest and concern expressed about the district's current cash position and the district's possible need for an interfund loan from the County before year-end. The FBOD Director briefed the Committee on the duties the County has under State law as the district's Ex officio treasurer and pledged to keep the Executive and Council informed of any developments.

Scott Matheson, Treasury Manager

EXECUTIVE FINANCE COMMITTEE
INTERFUND LOAN POLICY AND PROCEDURE

King County

COUNTY FUND APPLICATION FOR INTERFUND LOAN

COUNTY FUND MANAGER CONTACT INFORMATION

Fund name and number: Open Space Non-Bond / 3522

Fund Manager: Steve Oien	**Fund Manager Title:** Finance and Administration Manager, DNRP - WLRD
Contact name (if different): Jennifer Lehman	**Contact title:** Budget Analyst - PSB
Phone: 206-263-9705 Fax:	

BORROWING REQUEST DETAILS

Fund name: Open Space Non-Bond	**Fund number:** 3522

Term of loan requested (projected start and end date):
2/7/2013 (target closing date) - 3/7/2013 (anticipated reimbursement date)

Maximum negative daily cash balance during term of loan (estimated): $1,499,104

ADDITIONAL INFORMATION

Why is this borrowing necessary?
King County anticipates closing the Eastside Rail Corridor February 7, 2013. The adopted supplemental budget ordinance tied to the purchase sale agreement (17500) includes a proviso directing King County to disperse the Federal Highway Administration (FHWA) grant, with its local match, to the Port of Seattle within thirty days of closing.

The Open Space bond fund has a current cash balance of approximately $205,000. The inter-fund loan is necessary for cash flow purposes.

Is this a "Funds Transfer Loan" as defined in Section 5.9 of the County's Inter-fund Loan Policy?
No, the fund will use the investment pool line of credit.

If so, provide both the fund name and fund number of the loaning fund.
n/a

What will be the source of the funds to repay the interfund loan?
FHWA grant administered by the King County Department of Transportation

FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)

Signature: [signature]

Print Name: Steve Oien

Title: Mgr F&A, WLRD

Date: 1/17/13

Please include with this application a monthly cash flow forecast showing the fund's cash needs over the expected borrowing period.

EXECUTIVE FINANCE COMMITTEE
INTERFUND LOAN POLICY AND PROCEDURE

GENERAL INFO.

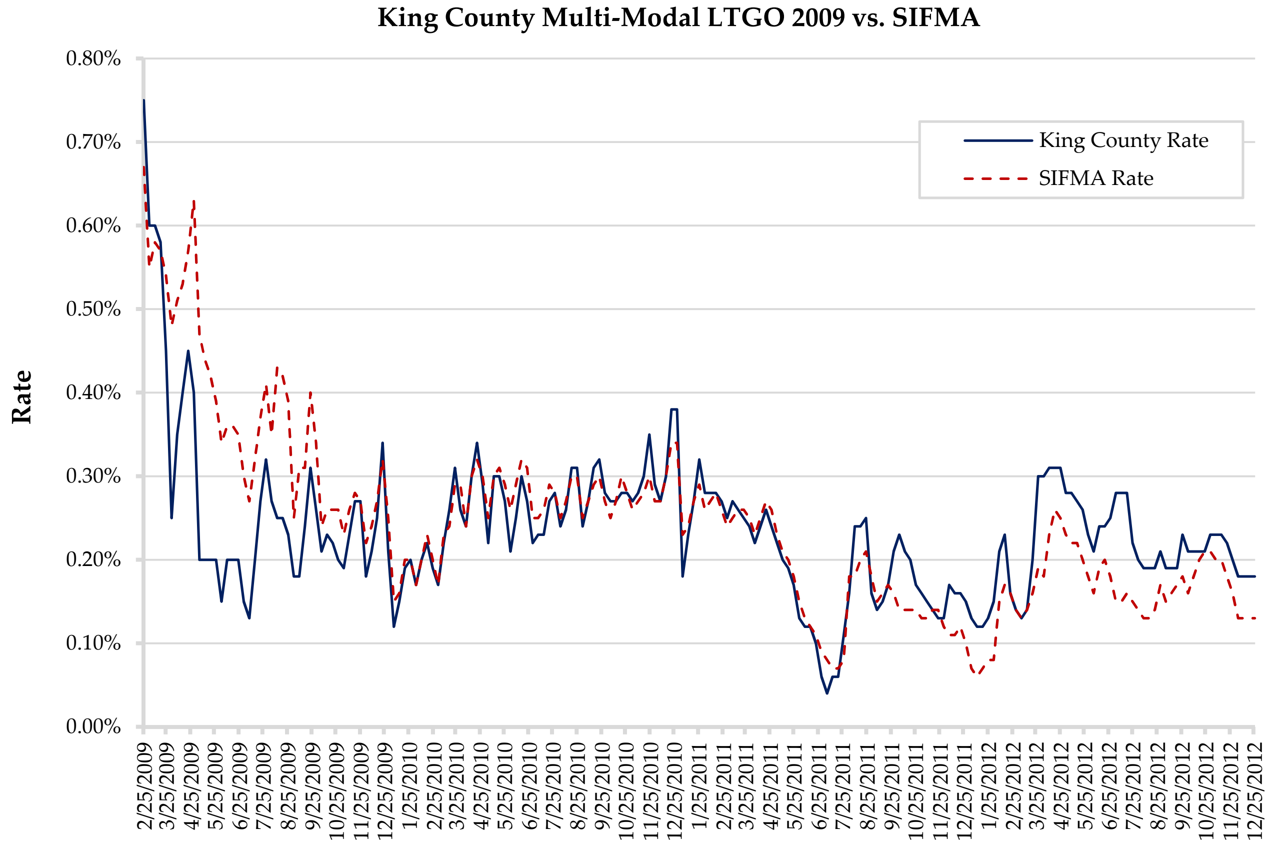
CASH BALANCE ON JANUARY 17, 2013: $205,000

REPAYMENT FUNDING SOURCES:

FHWA GRANT	$1,253,475
KING COUNTY GENERAL FUND	$195,629
	$1,449,104

Interfund loan approved? Yes ☐ No ☐	Date Approved/Denied:	Loan interest rate:
Maximum interfund loan amount approved $	Repayment date:	
Other special loan terms or comments:		

Report to the Executive Finance Committee
Variable Rate History for the 2009 King County Multi-Modal LTGO Bonds
December 2012



High	0.75%
Low	0.04%
Current	0.18%
3 Month Avg.	0.21%
Annual Avg.	0.21%

Borrowing cost assumed in the 2009 budget:	2.50%
Average interest rate for prior month:	0.19%
Plus: Estimated ongoing costs(1)	0.60%
Total monthly borrowing cost:	0.79%
Projected interest rate over next 3 months(2):	0.13%

(1) *Includes remarketing, liquidity and rating fees.*
(2) *70% of the forward rate for 3-month treasury as of December 31, 2012.*

Prepared by Seattle-Northwest Securities Corp.

Purpose

The Executive Finance Committee adopted a policy establishing dealer selection procedures, and at the end of every six-month period, Treasury Operations furnishes the committee with a report on dealer activity for that period.

Activity Summary

During the July-December 2012 period, activity was as follows:

ACTIVITY SUMMARY
July - December 2012

	Treasury Note	Treasury Bill	Agency Note	Agency Discount Note	Term Repo	Total	Percent
CREDIT SUISSE	3				83	86	71.1%
BNP PARIBAS			7	2		9	7.4%
JPM CHASE			5	4		9	7.4%
WELLS FARGO			4	4		8	6.6%
DEUTSCHE BANK	5		1	1		7	5.8%
RBC CAPITAL			1			1	0.8%
UBS FINANCIAL				1		1	0.8%
TOTAL	8	0	18	12	83	121	100.0%

KING COUNTY INVESTMENT POOL
ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT
12/31/12

The investment pool complies with all constraints listed in Schedule 1 of the investment policy

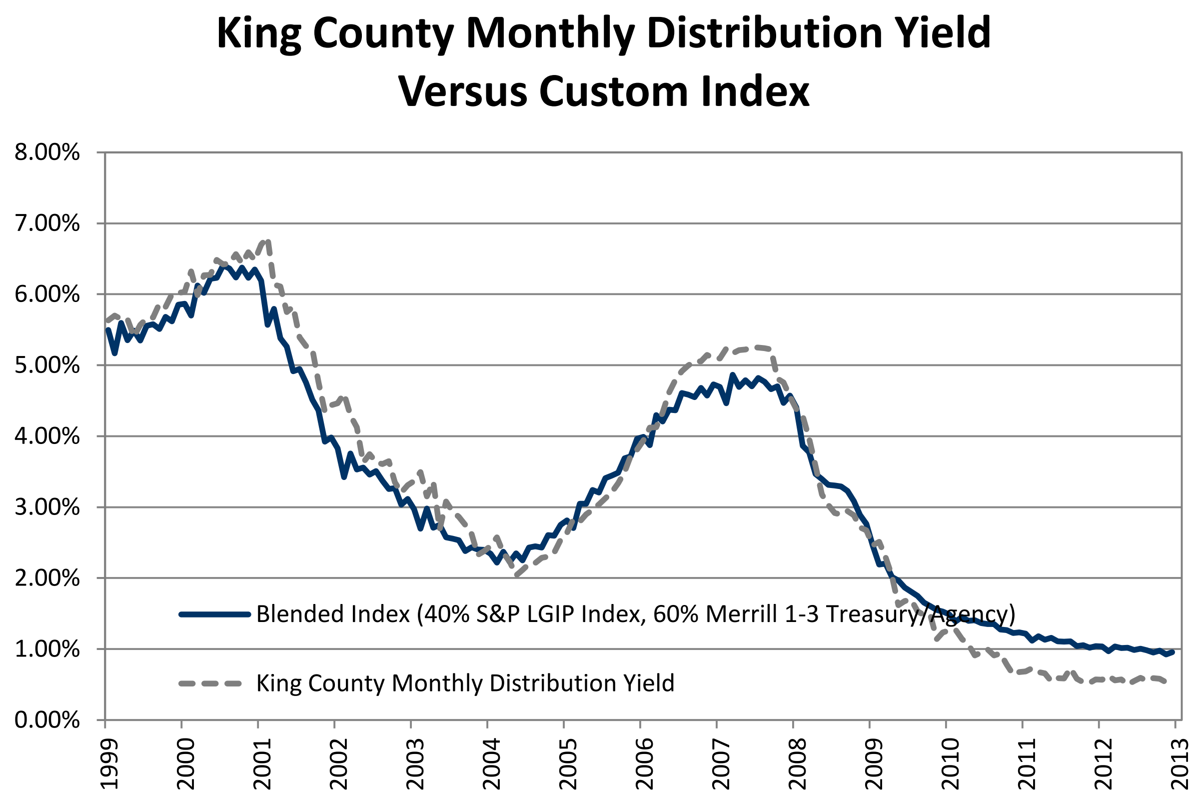
	Book Value	% of Portfolio	Issuer Limits/Restrictions [3]	Credit Agency Ratings S&P	Moody's	Fitch	Minimum Credit Restrictions	Maximum Maturity[3]
U.S. TREASURIES		**100%**	**NONE**				**NONE**	**5 Years**
U.S. T-Bills or T-Notes	$1,676,292,269.56	36.0%	In Compliance	AA+(-)	Aaa (-)	AAA(-)	In Compliance	In Compliance
U.S. AGENCIES		**100% (20% Floater/Var Rate)**	**35% per agency across investment type**				**NONE**	**5 Years**
Federal Home Loan Bank (FHLB)	$292,256,841.25	6.3%	In Compliance	AA+(-)	Aaa (-)	AAA(-)	In Compliance	In Compliance
Federal National Mortgage Association (FNMA)	$617,458,170.05	13.3%	In Compliance	AA+(-)	Aaa (-)	AAA(-)	In Compliance	In Compliance
Federal Home Loan Mortgage Corporation (FHLMC)	$687,156,401.66	14.8%	In Compliance	AA+(-)	Aaa (-)	AAA(-)	In Compliance	In Compliance
Federal Farm Credit Bank (FFCB)	$417,380,557.21	9.0%	In Compliance	AA+(-)	Aaa (-)	AAA(-)	In Compliance	In Compliance
U.S. AGENCY MORTGAGE BACKED SECURITIES		**Not to exceed 25%**	**35% per agency**				**NONE**	**5 Year Average Live**
CMO Agencies FHLMC	$2,575,047.17	0.1%	In Compliance	AA+(-)	Aaa (-)	AAA(-)	In Compliance	In Compliance
CMO Agencies FNMA	$13,815,179.14	0.3%	In Compliance	AA+(-)	Aaa (-)	AAA(-)	In Compliance	In Compliance
MUNICIPAL BONDS - GENERAL OBLIGATIONS		**Not to exceed 20%**	**Not to exceed 2.5%**				**A or better**	**5 Years**
	$0.00	0.0%	In Compliance				In Compliance	In Compliance
REPURCHASE AGREEMENTS		**Not to exceed 40%**	**Not to exceed 5% per dealer across investment type**				**A1/P1/F1 [1] [2]**	**60 Days**
Credit Suisse (USA), Inc. Tri-party repo	$150,000,000.00	3.2%	In Compliance	A1	P1	F1	In Compliance	In Compliance
REVERSE REPURCHASE AGREEMENTS		**Not to exceed 20%**	**Not to exceed 5% per dealer across investment type**				**A1/P1/F1 [1]**	**6 Months**
	$0.00	0.0%	In Compliance				In Compliance	In Compliance
LOCAL GOVERNMENT INVESTMENT POOL		**Not to exceed 25%**	**State of WA LGIP only**				**NONE**	**N/A**
Washington State Treasurer's LGIP	$796,069,212.62	17.1%	In Compliance	N/A	N/A	N/A	In Compliance	In Compliance
BANKER'S ACCEPTANCES		**Not to exceed 25%**	**Not to exceed 2.5% per issuer AND 5% across investment type**				**A1/P1/F1 [1]**	**180 Days**
	$0.00	0.0%	In Compliance				In Compliance	In Compliance
CERTIFICATES OF DEPOSIT		**Not to exceed 25%**	**Not to exceed 2.5% per issuer AND 5% across investment type**				**A3/P3/F3 plus Safe & Sound Star Rating of 3 or better [2]**	**1 Year**
	$0.00	0.0%	In Compliance				In Compliance	In Compliance
COMMERCIAL PAPER		**Not to exceed 25%**	**Not to exceed 2.5% per issuer AND 5% across investment type**				**A1/P1/F1, If >100 days AA or better [1]**	**180 Days**
	$0.00	0.0%	In Compliance				In Compliance	In Compliance
BANK CORPORATE NOTES		**Not to exceed 20%**	**Not to exceed 2.5% per issuer AND 5% across investment type**				**A or better [1]**	**5 Years**
	$0.00	0.0%	In Compliance				In Compliance	In Compliance
	$4,653,003,678.66	100.0%						

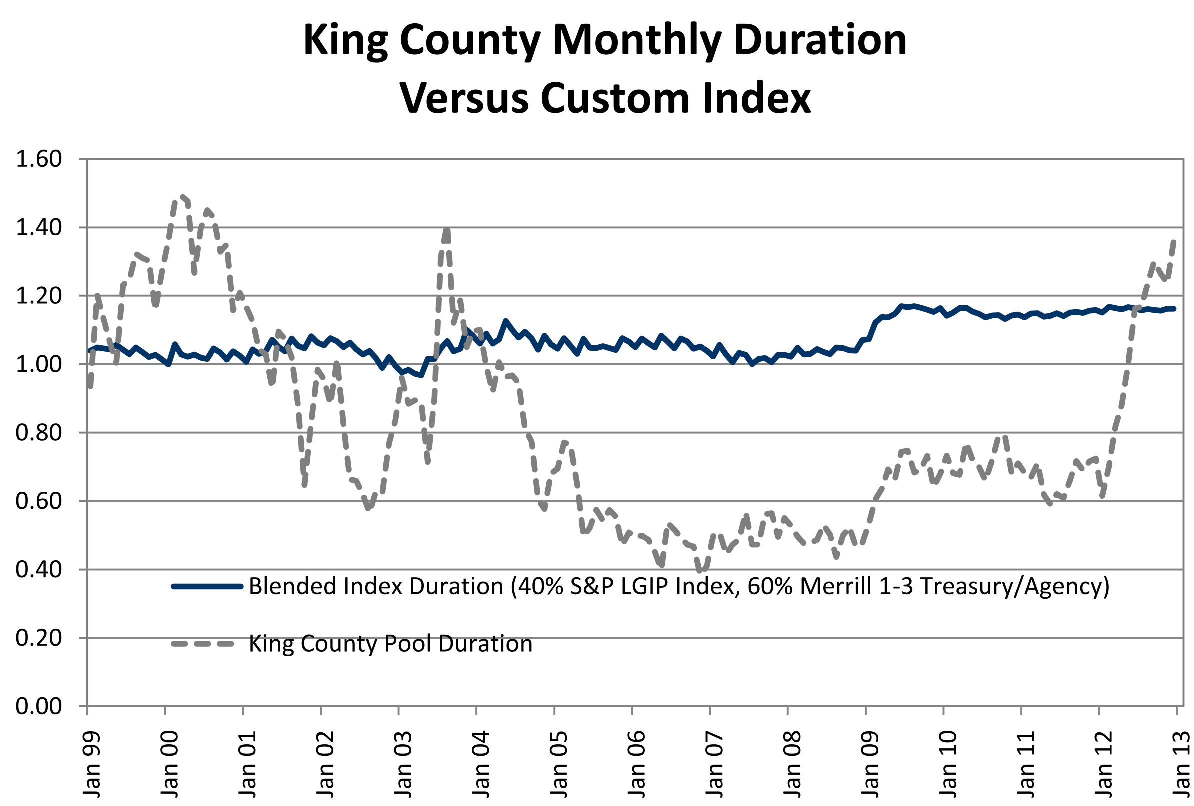
ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS	Actual	Status
Effective Duration Less Than 1.5 Years	1.36	In Compliance
40% of Portfolio Value 12 Months or Less	45.5%	In Compliance
Corporate Exposure Not Greater Than 50%	0.0%	In Compliance

(1) Must be rated by at least two nationally recognized rating agencies.
(2) Also backed by collateral
(3) Limits are at time of purchase

Note:
(*) = credit watch
(-) = negative outlook
(+) = positive outlook

King County Custom Benchmark Returns 40% LGIP Index, 60% Merril Lynch 1-3 Tsy/Agy



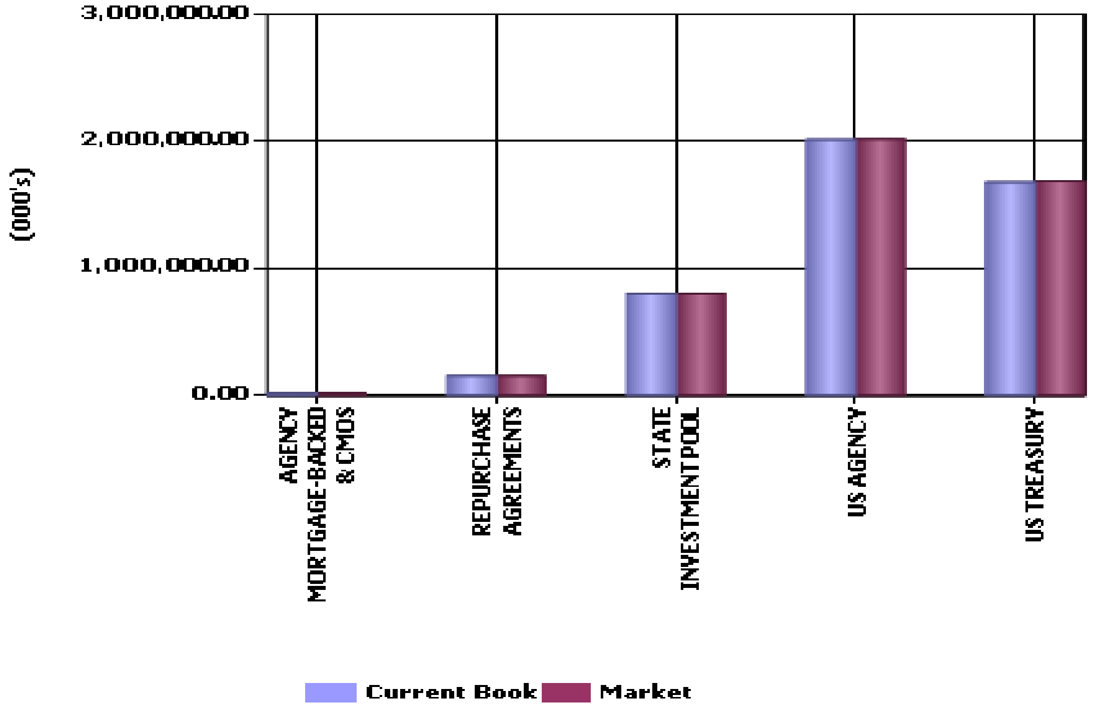


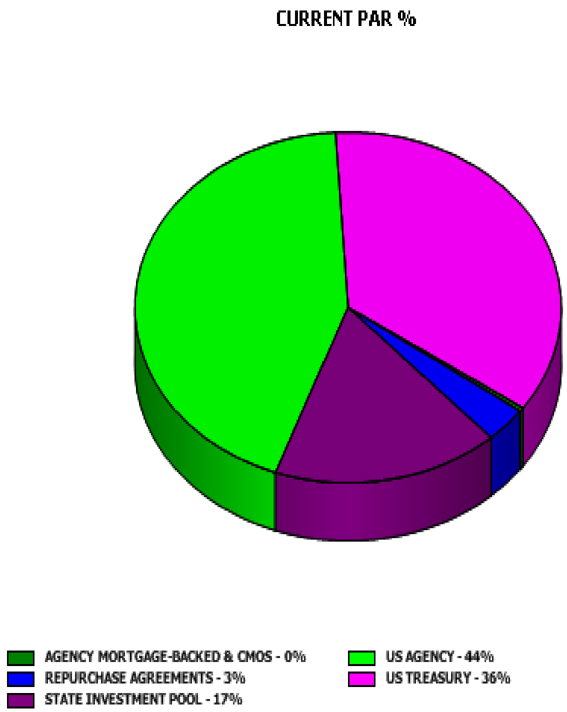
December Transactions

DESCRIPTION	COUPON	MATURITY	SETTLED	BOOK YIELD	PAR VALUE	BOOK VALUE	GAIN/(LOSS)
PURCHASES							
CREDIT SUISSE - Tri Repo	.200	12/04/2012	12/03/2012	.200	186,000,000.00	186,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.210	12/05/2012	12/04/2012	.210	179,000,000.00	179,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.210	12/06/2012	12/05/2012	.210	169,000,000.00	169,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.230	12/07/2012	12/06/2012	.230	136,000,000.00	136,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.220	12/10/2012	12/07/2012	.220	136,000,000.00	136,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.170	12/11/2012	12/10/2012	.170	80,000,000.00	80,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.200	12/12/2012	12/11/2012	.200	156,000,000.00	156,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.180	12/13/2012	12/12/2012	.180	160,000,000.00	160,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.190	12/14/2012	12/13/2012	.190	176,000,000.00	176,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.190	12/17/2012	12/14/2012	.190	150,000,000.00	150,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.190	12/18/2012	12/17/2012	.190	167,000,000.00	167,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.190	12/19/2012	12/18/2012	.190	165,000,000.00	165,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.170	12/20/2012	12/19/2012	.170	185,000,000.00	185,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.170	12/21/2012	12/20/2012	.170	191,000,000.00	191,000,000.00	0.00
FANNIE MAE	.875	12/20/2017	12/21/2012	.872	50,000,000.00	50,006,500.00	0.00
CREDIT SUISSE Tri-Repo	.180	12/24/2012	12/21/2012	.180	215,000,000.00	215,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.190	12/26/2012	12/24/2012	.190	195,000,000.00	195,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.180	12/27/2012	12/26/2012	.180	180,000,000.00	180,000,000.00	0.00
FHLB DISCOUNT NT	.000	06/21/2013	12/27/2012	.141	127,000,000.00	126,912,454.67	0.00
FNM DISCOUNT NT	.000	06/26/2013	12/27/2012	.142	73,000,000.00	72,947,882.06	0.00
CREDIT SUISSE Tri-Repo	.160	12/28/2012	12/27/2012	.160	135,000,000.00	135,000,000.00	0.00
CREDIT SUISSE Tri-Repo	.170	12/31/2012	12/28/2012	.170	145,000,000.00	145,000,000.00	0.00
LOCAL GOVT INVESTMENT POOL	.236	01/01/2013	12/31/2012	.236	158,851.89	158,851.89	0.00
CREDIT SUISSE Tri-Repo	.200	01/02/2013	12/31/2012	.200	150,000,000.00	150,000,000.00	0.00
				TOTAL PURCHASES	**3,506,158,851.89**	**3,506,025,688.62**	**0.00**

ASSET ALLOCATION

Assets (000's)	PAR VALUE	BOOK VALUE	MARKET VALUE	MRKT/BOOK	YIELD
AGENCY MORTGAGE-BACKED & CMOS	16,100.99	16,390.23	17,604.71	107.41%	4.34%
REPURCHASE AGREEMENTS	150,000.00	150,000.00	150,000.00	100.00%	0.20%
STATE INVESTMENT POOL	796,069.21	796,069.21	796,069.21	100.00%	0.24%
US AGENCY	2,012,033.00	2,014,251.97	2,019,247.74	100.25%	0.71%
US TREASURY	1,650,000.00	1,676,292.27	1,685,110.50	100.53%	0.57%
Totals (000's):	**4,624,203.20**	**4,653,003.68**	**4,668,032.16**	**100.32%**	**0.57%**





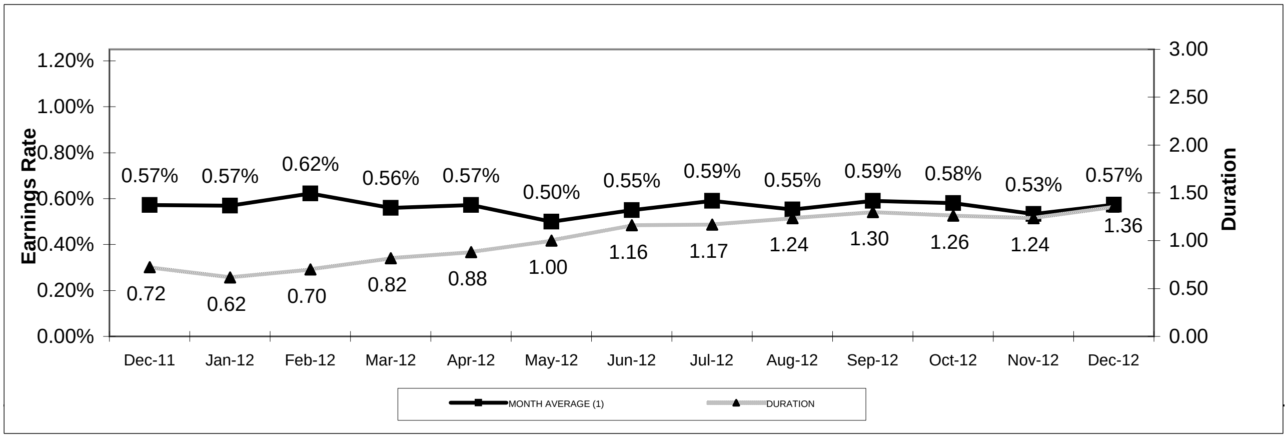
KING COUNTY TREASURY OPERATIONS

INVESTMENT MATURITY DISTRIBUTION
AS OF 12/31/12

CALL/MATURITY	DATE RANGE	NO OF INV	PAR	%	CUM %
0 TO 1 MONTHS	01/01/13-01/31/13	7	1,190,769,212.62	25.8	25.8
1 TO 3 MONTHS	02/01/13-03/31/13	7	289,817,000.00	6.3	32.0
3 TO 6 MONTHS	04/01/13-06/30/13	5	396,576,000.00	8.6	40.6
6 TO 12 MONTHS	07/01/13-12/31/13	5	225,000,000.00	4.9	45.5
12 TO 24 MONTHS	01/01/14-12/31/14	12	575,000,000.00	12.4	57.9
24 TO 36 MONTHS	01/01/15-12/31/15	12	600,000,000.00	13.0	70.9
36 TO *** MONTHS	01/01/16-	35	1,347,040,986.60	29.1	100.0
TOTALS		83	4,624,203,199.22		

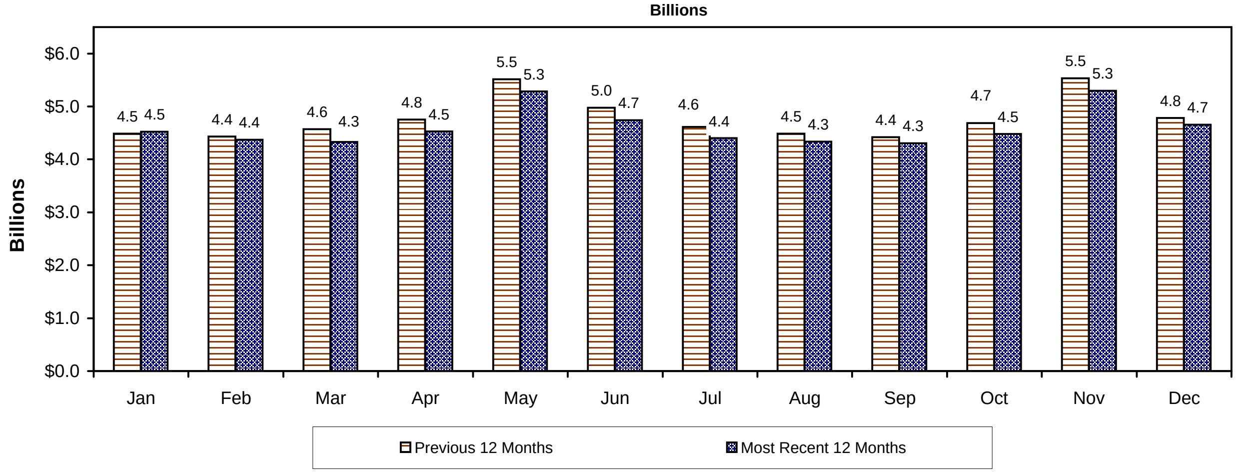
KING COUNTY INVESTMENT POOL

EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



(1) Not adjusted yet for realized losses on commercial paper investments.

AVERAGE MONTHLY INVESTMENT POOL BALANCE



KC GENERAL FUND YTD INTEREST EARNINGS
December 31, 2012

	BUDGET (1)	ACTUAL (3)	DIFFERENCE
YTD AVG BALANCE (millions)	$133	$235	$101.4
YTD YIELD	0.60%	0.56%	-0.04%
INTEREST DISTRIBUTION ($)	$800,000	$1,305,063	$505,063
AUTOMATIC INTEREST ($)	$0	$0	$0
TOTAL INTEREST ($)	**$800,000**	**$1,305,063**	$505,063

YTD POOL FEE REVENUE

	BUDGET	Collected (2)	Potential Rebate
DIRECT COST FEE DUE TO GF	$637,000	$1,403,343	$766,343
DIRECT COST FEE TO FBOD	$14,000	$122,437	$108,437
TOTAL YTD DIRECT POOL FEES	**651,000**	**1,525,780**	**$874,780**

	BUDGET	Actual	Difference
CASH MGMT FEE TO GF	$343,000	$321,900	($21,100)
CASH MGMT FEE TO FBOD	$5,200	$6,016	$816
TOTAL YTD CASH MGMT FEES	**348,200**	**327,916**	**(20,284)**

YTD TOTAL POOL DISTRIBUTION	$25,978,721

(1) 2012 annual budget for interest earnings is $800,000.

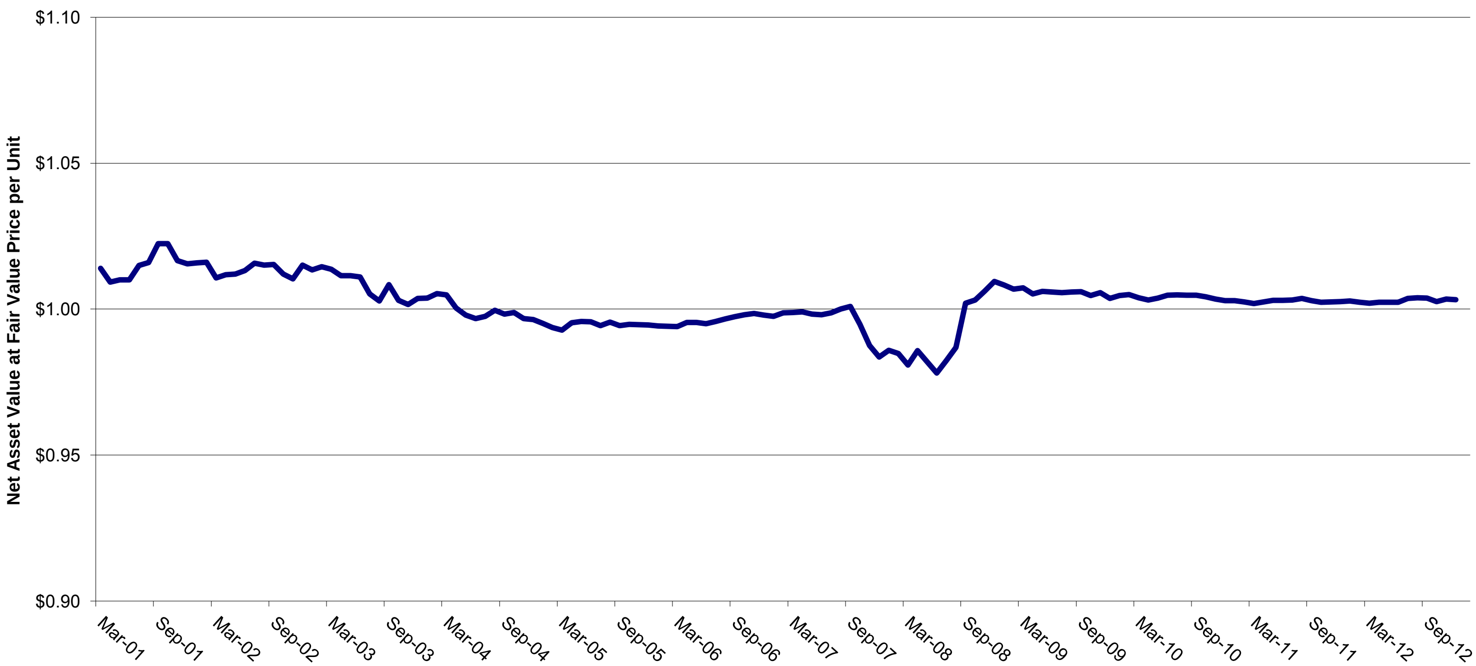
(2) Currently collecting 3.5 basis points for actual expenses, but will rebate difference between collected and actual expense in Q1 2013.

(3) Actual numbers are based on estimates since final December figures are not yet available.

King County Investment Pool
Fair Value Report

	10/31/12	11/30/12	12/31/12
Net Assets (1)			
Net Assets held in trust for pool participants	$ 5,216,044,055.54	$ 5,065,884,589.29	$ 4,668,528,346.51
Net assets consist of:			
Participant units outstanding ($1.00 par)	$ 5,202,497,356.20	$ 5,048,605,031.30	$ 4,653,499,861.60
Undistributed and unrealized gains(losses)	$ 13,546,699.34	$ 17,279,557.99	$ 15,028,484.91
Net Assets	$ 5,216,044,055.54	$ 5,065,884,589.29	$ 4,668,528,346.51
Total Pool -- Net asset value at fair value price per unit	**$1.0026**	**$1.0034**	**$1.0032**

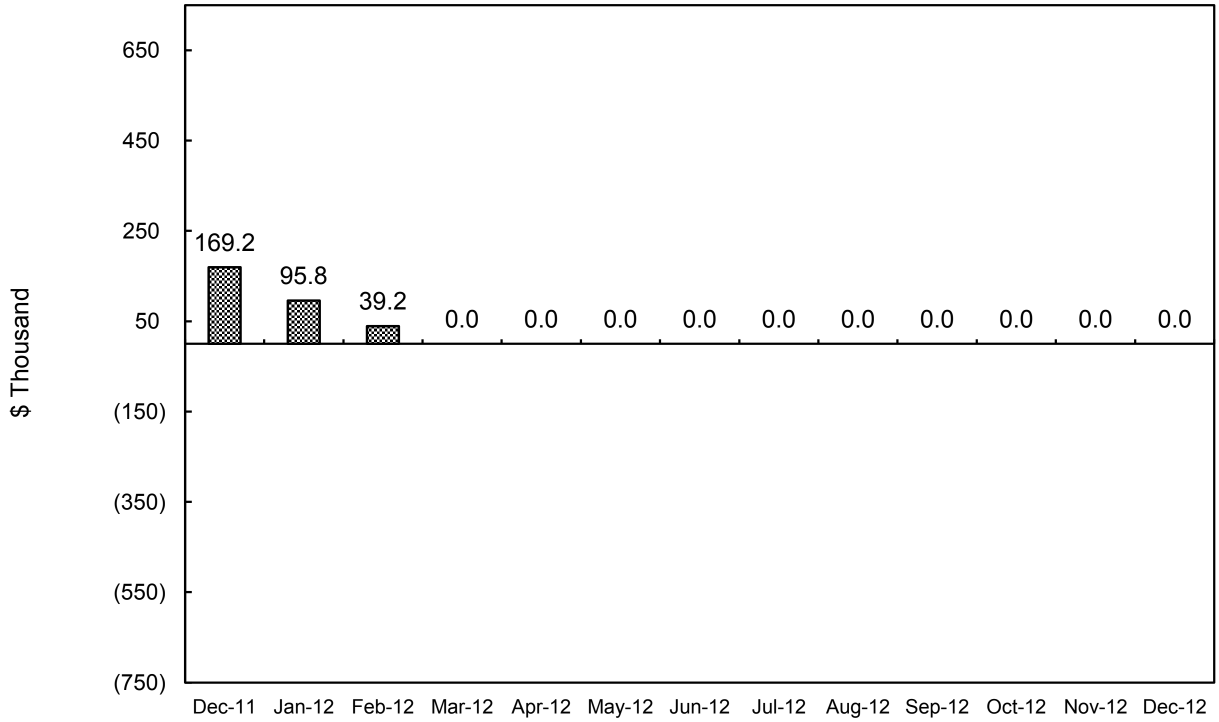
King County Investment Pool
History of Fair Value per Dollar Invested (1)



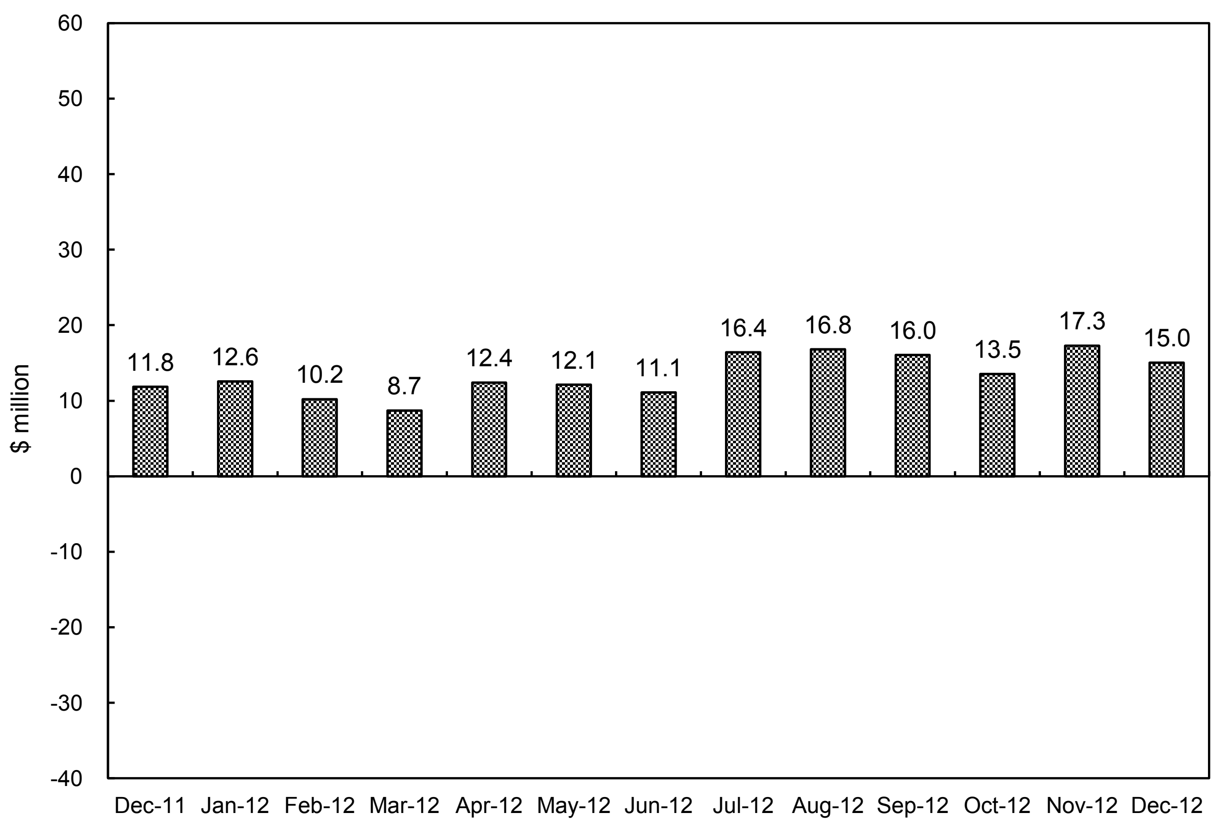
(1) Impaired securities were separated from main pool on 9/1/08

GAIN / LOSS SUMMARY

TOTAL REALIZED GAIN OR LOSS (1)



NET UNREALIZED GAIN OR LOSS (TOTAL PORTFOLIO)



(1) Excludes losses from impaired CP

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O   D E T A I L   F I N A N C I A L   A N A L Y S I S

(MANFIN) AS OF 12/31/12

SORTING ORDER: MATD RUN: 02/06/13 15:32:45

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
711	LOCAL GOVT INVESTM	.235639	.235639	01/01/13	100.000000	796,069,212.62	796,069,212.62	796,069,212.62	.00	1,875,851.44
1475	CREDIT SUISSE Tri-	.200000	.200000	01/02/13	100.000000	150,000,000.00	150,000,000.00	150,000,000.00	.00	300,000.00
1188	Freddie Mac	1.375000	.325195	01/09/13	100.024000	14,700,000.00	14,703,360.00	14,703,528.00	168.00	47,803.62
1204	Freddie Mac	4.500000	.289926	01/15/13	100.158000	30,000,000.00	30,048,123.45	30,047,400.00	-723.45	86,977.83
1423	FNM Discount NT	.000000	.130039	01/23/13	99.999000	100,000,000.00	99,992,055.56	99,999,000.00	6,944.44	130,039.43
1018	US T-NOTES	.625000	.736126	01/31/13	100.039000	50,000,000.00	49,995,471.17	50,019,500.00	24,028.83	368,063.02
1026	US T-NOTES	.625000	.732163	01/31/13	100.039000	50,000,000.00	49,995,632.39	50,019,500.00	23,867.61	366,081.36
1189	Fannie Mae	3.625000	.335610	02/12/13	100.387000	19,587,000.00	19,660,569.48	19,662,801.69	2,232.21	65,735.89
680	FED FARM CREDIT BA	1.750000	1.837880	02/21/13	100.208000	50,000,000.00	49,994,061.82	50,104,000.00	109,938.18	918,940.22
1190	Fed Home Ln Bank	3.375000	.340494	02/27/13	100.497000	20,230,000.00	20,325,173.33	20,330,543.10	5,369.77	68,882.02
1019	US T-NOTES	.625000	.768612	02/28/13	100.086000	50,000,000.00	49,988,704.15	50,043,000.00	54,295.85	384,305.84
864	US T NOTE	1.375000	.476857	03/15/13	100.254000	50,000,000.00	50,089,212.70	50,127,000.00	37,787.30	238,428.32
971	AGY-FHLMC	.750000	.863929	03/28/13	100.150000	50,000,000.00	49,986,710.09	50,075,000.00	88,289.91	431,964.71
1027	US T-NOTES	.750000	.809188	03/31/13	100.160000	50,000,000.00	49,992,866.15	50,080,000.00	87,133.85	404,593.81
1422	FRE Discount NT	.000000	.160108	04/01/13	99.983000	96,576,000.00	96,537,369.60	96,559,582.08	22,212.48	154,626.07
681	FED NAT MORTG ASSO	1.750000	1.803161	05/07/13	100.548000	50,000,000.00	49,991,148.07	50,274,000.00	282,851.93	901,580.63
1471	FHLB DISCOUNT NT	.000000	.141097	06/21/13	99.953000	127,000,000.00	126,914,941.75	126,940,310.00	25,368.25	179,193.52
1472	FNM DISCOUNT NT	.000000	.142101	06/26/13	99.951000	73,000,000.00	72,949,321.78	72,964,230.00	14,908.22	103,734.05
1295	US Treasury Note	.375000	.217847	06/30/13	100.125000	50,000,000.00	50,038,781.24	50,062,500.00	23,718.76	108,923.48
1294	US Treasury Note	1.000000	.222898	07/15/13	100.461000	50,000,000.00	50,207,270.41	50,230,500.00	23,229.59	111,449.14
1299	US Treasury Note	.375000	.230304	07/31/13	100.141000	50,000,000.00	50,041,755.57	50,070,500.00	28,744.43	115,151.75
1300	US Treasury Note	.750000	.229363	08/15/13	100.375000	50,000,000.00	50,160,939.16	50,187,500.00	26,560.84	114,681.73
850	FED NAT MORTG ASSO	1.000000	1.057061	09/23/13	100.579000	50,000,000.00	49,979,731.22	50,289,500.00	309,768.78	528,530.42
909	FNMA	.800000	.800000	05/19/11C	100.439000	25,000,000.00	25,000,000.00	25,109,750.00	109,750.00	200,000.00
1386	US TREASURY NOTE	1.000000	.232063	01/15/14	100.836000	50,000,000.00	50,397,048.79	50,418,000.00	20,951.21	116,031.71
1389	US Treasury Note	.250000	.229821	01/31/14	100.063000	50,000,000.00	50,010,865.99	50,031,500.00	20,634.01	114,910.63
1253	Freddie Mac Callab	.450000	.450000	02/21/13C	100.048000	50,000,000.00	50,000,000.00	50,024,000.00	24,000.00	225,000.00
954	AGENCY FFCB	1.125000	1.189894	02/27/14	101.062000	50,000,000.00	49,963,263.21	50,531,000.00	567,736.79	594,946.84
852	U.S. TREASURY NOT	1.875000	.911244	02/28/14	101.926000	50,000,000.00	50,548,624.72	50,963,000.00	414,375.28	455,622.22
1388	US TREASURY NOTE	1.250000	.244287	03/15/14	101.242000	50,000,000.00	50,603,580.74	50,621,000.00	17,419.26	122,143.41
1341	FED HOME LN BANK	.375000	.403531	06/12/14	100.191000	50,000,000.00	49,979,505.57	50,095,500.00	115,994.43	201,765.54
1417	US TREASURY NOTE	.625000	.299144	07/15/14	100.613000	50,000,000.00	50,249,451.75	50,306,500.00	57,048.25	149,572.06
1249	FREDDIE MAC CALLAB	.625000	.625000	01/25/13C	100.029000	25,000,000.00	25,000,000.00	25,007,250.00	7,250.00	156,250.00
1402	Fed Farm Credit Ca	.280000	.320038	01/02/13C	100.001000	50,000,000.00	49,999,525.32	50,000,500.00	974.68	160,019.08
853	U.S. TREASURY NOT	2.375000	1.144218	10/31/14	103.852000	50,000,000.00	51,097,241.82	51,926,000.00	828,758.18	572,108.81
1185	US Treasury Note	2.625000	.505177	12/31/14	104.719000	50,000,000.00	52,093,794.41	52,359,500.00	265,705.59	252,588.39
1305	US Treasury Note	2.250000	.354223	01/31/15	104.094000	50,000,000.00	51,959,850.47	52,047,000.00	87,149.53	177,111.27
1285	US Treasury Note	2.375000	.395411	02/28/15	104.500000	50,000,000.00	52,123,610.29	52,250,000.00	126,389.71	197,705.35
1284	US Treasury Note	2.500000	.395772	03/31/15	104.969000	50,000,000.00	52,344,898.89	52,484,500.00	139,601.11	197,886.11
1342	FANNIE MAE CALLABL	.650000	.622442	05/29/13C	100.135000	50,000,000.00	50,017,360.71	50,067,500.00	50,139.29	311,220.80
1280	US Treasury Note	1.875000	.457042	06/30/15	103.875000	50,000,000.00	51,752,954.83	51,937,500.00	184,545.17	228,520.95
1277	US Treasury Note	1.750000	.487669	07/31/15	103.656000	50,000,000.00	51,612,561.23	51,828,000.00	215,438.77	243,834.75

P O R T F O L I O   D E T A I L   F I N A N C I A L   A N A L Y S I S

(MANFIN) AS OF 12/31/12

SORTING ORDER: MATD RUN: 02/06/13 15:32:45

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
1281	US Treasury Note	1.750000	.471540	07/31/15	103.656000	50,000,000.00	51,633,680.57	51,828,000.00	194,319.43	235,769.96
1278	US Treasury Note	1.250000	.490986	08/31/15	102.430000	50,000,000.00	51,000,152.43	51,215,000.00	214,847.57	245,492.78
1265	US Treasury Note	1.250000	.775681	09/30/15	102.500000	50,000,000.00	50,640,703.80	51,250,000.00	609,296.20	387,840.35
1401	Freddie Mac Callab	.500000	.479717	10/09/13C	100.155000	50,000,000.00	50,023,481.90	50,077,500.00	54,018.10	239,858.32
1371	FED Home LN Bank	.500000	.509991	11/20/15	100.377000	50,000,000.00	49,985,770.28	50,188,500.00	202,729.72	254,995.30
1349	US TREASURY NOTE	1.375000	.480469	11/30/15	102.938000	50,000,000.00	51,289,919.46	51,469,000.00	179,080.54	240,234.68
1283	Freddie Mac Callab	.850000	.852602	02/24/14C	100.549000	50,000,000.00	49,996,882.44	50,274,500.00	277,617.56	426,301.17
1348	FREDDI MAC CALLABL	1.000000	.824502	02/24/14C	100.885000	50,000,000.00	50,218,157.02	50,442,500.00	224,342.98	412,251.14
1346	FREDDIE MAC CALLAB	1.000000	.838248	03/14/14C	100.844000	18,000,000.00	18,074,255.04	18,151,920.00	77,664.96	150,884.71
1344	FED FARM CREDIT CA	.800000	.820474	06/21/13C	100.279000	39,000,000.00	38,986,106.25	39,108,810.00	122,703.75	319,985.00
1306	US Treasury Note	2.375000	.559423	03/31/16	106.313000	50,000,000.00	52,909,319.60	53,156,500.00	247,180.40	279,711.74
1322	Freddie Mac Callab	1.000000	.933015	05/16/13C	100.223000	50,000,000.00	50,049,857.96	50,111,500.00	61,642.04	466,507.26
1270	US TREASURY NB	1.750000	.831311	05/31/16	104.461000	50,000,000.00	51,536,837.73	52,230,500.00	693,662.27	415,655.35
1392	FED FARM CREDIT CA	.590000	.628162	12/27/12C	100.004000	47,500,000.00	47,500,000.00	47,501,900.00	1,900.00	298,376.98
1266	US Treasury Note	1.500000	.923065	06/30/16	103.656000	50,000,000.00	50,985,990.68	51,828,000.00	842,009.32	461,532.37
1360	FED FARM CREDIT CA	.730000	.730000	10/26/12C	100.005000	31,045,000.00	31,045,000.00	31,046,552.25	1,552.25	226,628.50
1366	FED FARM CREDIT CA	.730000	.780882	08/15/13C	100.274000	50,000,000.00	49,938,082.19	50,137,000.00	198,917.81	390,441.24
1365	FREDDIE MAC	2.000000	.668799	08/25/16	105.244000	50,000,000.00	52,391,175.26	52,622,000.00	230,824.74	334,399.40
1262	US TREASURY NB	1.000000	.871176	08/31/16	101.906000	50,000,000.00	50,230,724.99	50,953,000.00	722,275.01	435,588.18
1263	US TREASURY NB	1.000000	1.014087	09/30/16	101.906000	50,000,000.00	49,974,246.97	50,953,000.00	978,753.03	507,043.32
1391	FED FARM CREDIT CA	.720000	.743987	12/27/12C	99.853000	50,000,000.00	50,000,000.00	49,926,500.00	-73,500.00	371,993.52
1255	US Treasury Note	.875000	.815732	01/31/17	101.328000	50,000,000.00	50,118,233.59	50,664,000.00	545,766.41	407,865.80
1256	US Treasury Note	.875000	.841423	02/28/17	101.313000	50,000,000.00	50,068,239.60	50,656,500.00	588,260.40	420,711.73
1414	US TREASURY NOTE	1.000000	.712736	03/31/17	101.789000	50,000,000.00	50,599,103.27	50,894,500.00	295,396.73	356,368.14
1347	FREDDIE MAC CALLAB	1.200000	1.097822	06/06/14C	101.046000	50,000,000.00	50,180,035.27	50,523,000.00	342,964.73	548,911.05
1369	FREDDIE MAC CALLAB	1.000000	1.022914	07/25/14C	100.276000	50,000,000.00	49,955,405.40	50,138,000.00	182,594.60	511,456.96
1372	Freddie Mac Callab	1.000000	1.013448	02/14/13C	100.105000	50,000,000.00	49,991,588.23	50,052,500.00	60,911.77	506,724.21
1381	FANNIE MAE CALLABL	1.000000	1.016719	08/14/13C	100.353000	50,000,000.00	49,972,727.28	50,176,500.00	203,772.72	508,359.43
1380	FED FARM CREDIT CA	.970000	.996877	09/05/13C	100.261000	50,000,000.00	49,954,518.42	50,130,500.00	175,981.58	498,438.73
1406	FED HOME LN BANK	.750000	.916458	09/08/17	99.877000	18,980,000.00	18,835,546.35	18,956,654.60	121,108.25	173,943.73
1408	FED HOME LN BANK	.750000	.914838	09/08/17	99.877000	26,415,000.00	26,215,903.97	26,382,509.55	166,605.58	241,654.38
1416	Fannie Mae Callabl	1.000000	1.002055	09/20/13C	100.031000	50,000,000.00	49,996,018.24	50,015,500.00	19,481.76	501,027.27
1393	FANNIE MAE CALLABL	1.050000	1.052058	10/04/13C	100.396000	50,000,000.00	49,996,219.18	50,198,000.00	201,780.82	526,029.16
1411	FANNIE MAE	.875000	.919048	10/26/17	100.405000	50,000,000.00	49,896,557.71	50,202,500.00	305,942.29	459,523.96
699	FHR 2582 CU	5.000000	4.470440	11/15/17	101.819000	1,276,442.00	1,290,460.87	1,299,660.48	9,199.61	57,062.57
700	FHR 2582 CW	4.500000	4.184092	11/15/17	101.609000	1,276,442.00	1,284,586.30	1,296,979.95	12,393.65	53,407.51
1467	FANNIE MAE	.875000	.872335	12/20/17	100.195000	50,000,000.00	50,006,460.82	50,097,500.00	91,039.18	436,167.35
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	108.967000	3,242,288.41	3,325,382.45	3,533,024.41	207,641.96	150,253.49
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	111.038000	3,712,777.00	3,779,058.61	4,122,593.33	343,534.72	158,007.14
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	111.478000	2,838,875.29	2,889,555.75	3,164,721.40	275,165.65	120,815.92
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	111.549000	3,754,161.90	3,821,182.33	4,187,730.06	366,547.73	159,768.38
G R A N D	T O T A L S	.901951	.574903	MAR 2014	100.967455	4,624,203,199.22	4,653,003,678.66	4,668,032,163.52	15,028,484.86	26,580,764.40

Victoria Recovery Status as of 12/31/2012

Original Cost		$51,937,149
Original Par	$53,300,000	
Less Accrued not distributed	$420,537	
Adjusted Par		$52,879,463
Recovered to date	**$32,958,281**	**62.3%**

Current Par Amount Outstanding	$19,921,182
Current Cost Outstanding	$18,978,868

Cash Receipts:	
2008	$7,990,692.29
2009	$6,910,588.46
2010	$5,443,668.21
2011	$7,793,105.01
2012	$4,820,226.87
Total	$32,958,280.84

Impaired Pool
Holdings Report
12/31/2012

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Mainsail II (1)	Restructured - Cash Out	1,007,642.19	405,000.00	602,642.19
Cheyne Finance (1)	Restructured - Cash Out	787,502.14	507,750.00	279,752.14
Rhinebridge (1)	Restructured - Cash Out	1,885,308.88	1,134,600.00	750,708.88
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	19,921,182.16	9,536,266.00	10,384,916.16
	Total	23,601,635.37	11,583,616.00	12,018,019.37

Fair Value Ratio	0.4908

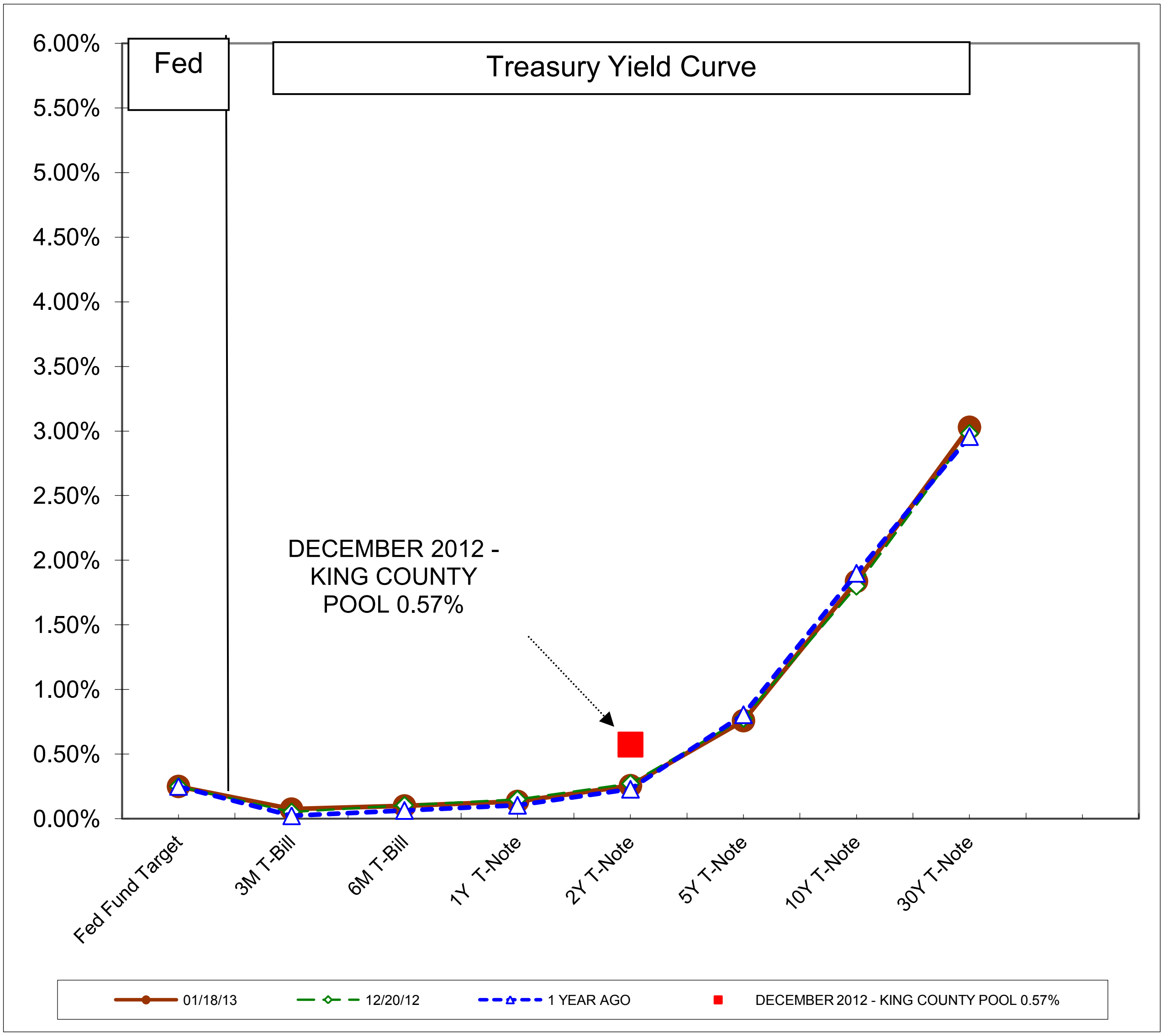
(1) After consulting with the County's financial advisor, the County choose to select the "cash out" option for the Mainsail, Cheyne, and Rhinebridge restructurings. However, the Receivers for these programs held back a portion of the cash for various indemnifications. The fair values shown on this report represent the County's potential cash recovery from the amounts being retained by the Receivers.

(2) During September 2009, the County completed the restructuring process for Victoria Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled VFNC Trust. At the time of Victoria's restructuring the County's financial advisor estimated that by participating in the exchange offer that the overall recovery rate could be between 50 to 76 percent, and potentially higher. The VFNC Trust investment replaced Victoria in the "impaired pool" and it continues to make monthly cash distributions. It is expected that future monthly distributions will continue for at least 5 or 6 more years, or as long as the underlying securities continue to make cash payments. We do not foresee distributing any realized losses related to Victoria until it is apparent that no further cash flows will be forthcoming. Adding the cash recoveries through December and assuming that the asset could be sold at the quoted dealer price above, the current estimated total recovery would be approximately 80% of the original investment's adjusted par amount.

Pool Earnings Distribution History

	Distributed Losses on Impaired Investments	*Pool Earnings Distribution*	***Net Pool Earnings Distributed***
YTD 2012	$1,204,894	$25,978,721	**$24,773,827**
2011	$0	$29,270,651	**$29,270,651**
2010	$0	$42,160,462	**$42,160,462**
2009	$0	$71,036,470	**$71,036,470**
2008	$73,296,907	$135,838,883	**$62,541,976**
2007	$0	$199,099,971	**$199,099,971**
2006	$0	$165,576,358	**$165,576,358**

INTEREST RATE SUMMARY



	01/18/13	12/20/12	1 YEAR AGO
Fed Fund Target	0.25%	0.25%	0.25%
3M T-Bill	0.07%	0.05%	0.02%
6M T-Bill	0.10%	0.10%	0.06%
1Y T-Note	0.13%	0.15%	0.10%
2Y T-Note	0.26%	0.27%	0.23%
5Y T-Note	0.76%	0.78%	0.81%
10Y T-Note	1.84%	1.80%	1.90%
30Y T-Note	3.03%	2.98%	2.96%

Interfund Borrowings from Surplus King County Cash (Automated System)

12/31/12

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end	Average Amount Borrowed (1)	Interest Paid in Current Month (1)	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-1030	County Road Fund	Interim funding to continue operating programs. Repayment from property tax collections.	Original Loan $20,000,000 Revised Amt: $35,000,000 Revised Amt: $30,000,000 Revised Amt: $25,000,000	($1,700,827)	n/a	n/a	1/31/11 12/31/2011 12/31/2012 12/31/2013	Pool Rate	Public Fleet Replacement Fund (4642)	7/28/2010 1/26/11 12/7/11 12/5/12
King County	00-000-1800	Public Health Fund	Unmatched reimbursements. Repayment from grant billings, grantor payments, and environmental health permit payments.	$15,000,000	($6,196,374)	n/a	n/a	4/30/2013	Pool Rate	Public Fleet Replacement Fund (4642)	12/5/2012
King County	00-000-3771	OIRM Capital Fund	Finance non-capitalized expenses associated with ABT project. Loan repaid from assessments charged to all County funds.	$7,800,000	$17,266,811	n/a	n/a	7/1/2014	Pool Rate	Public Fleet Replacement Fund (4642)	3/28/2012
King County	00-000-3781	KCIT Capital Fund	Interim funding to continue operating. Repayment from bond issuance.	$25,000,000	$27,036	n/a	n/a	12/31/2014	Pool Rate	Public Fleet Replacement Fund (4642)	10/24/2012
King County	00-000-3850	Road Facilities Construction	Advance payments required for Summit Pit sale. Repayment from Summit Pit property sale proceeds.	$5,000,000	($5,281,313)	n/a	n/a	1/31/11 12/31/2011 12/31/12 12/31/2014	Pool Rate	Public Fleet Replacement Fund (4642)	7/28/2010 1/26/11 12/7/11 12/5/12
King County	00-000-3860	Road's Capital Construction	Provide uninterrupted funding for capital improvement program. Repayment from property tax receipts and Seattle South Park Bridge project.	Original Loan $30,000,000 Revised Amt: $15,000,000 Revised Amt: $20,000,000	($4,714,433)	n/a	n/a	1/31/11 12/31/2011 12/31/12 12/31/2014	Pool Rate	Public Fleet Replacement Fund (4642)	7/28/2010 1/26/11 12/7/11 12/5/12
King County	00-000-4611	Waste Water Operating	Payoff $100 million of 2006 variable rate debt. Repayment from surplus revenues.	$100,000,000	$22,600,333	n/a	n/a	12/31/2013	Pool Rate	Public Fleet Replacement Fund (4642)	12/11/2008
Road Improvement District	16-131-3010	RID 131	Road improvements. Repayment from taxpayer assessments	$500,000	$676	n/a	n/a	12/31/2015	Pool Rate	Public Fleet Replacement Fund (4642)	6/21/2001

(1) Figures were not available as the report release date

Interfund Borrowings (Direct Loans)

12/31/12

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-2140	Miscellaneous Grants Fund	Cash flow. Future grant reimbursement.	$700,000	$300,000	($1,398,484)	$0	Open	0%	King County General Fund	11/26/1975
King County	00-000-1340	DDES General Fund	Leasehold improvements for DDES's new Snoqualmie Office. Repayment from permit fees & rental savings. Loan proceeds will be deposited in FMD fund 3951 to pay construction costs. DDES will make installment payments to KC General Fund to retire the loan.	$1,080,000	$0	$7,841,293	$0	12/31/2015	Pool Rate	King County General Fund	4/25/2012
King County	00-000-3641	Public Transportation Capital Fd	Compensation for delay of property sale. Interim financing to PTC while the County decides whether to purchase the property.	$3,500,000	$3,500,000	$19,526,135	$0	4/30/2006, 4/30/2007, 4/30/2008, 4/30/2009, 4/30/2010, 5/31/10, 6/30/10, 7/31/10, 3/31/11, 12/31/11, 12/31/12	0%	King County General Fund	4/28/2005, 4/28/2006, 4/26/2007, 4/24/2008, 4/23/2009, 4/28/10, 5/26/10, 6/23/10, 7/28/10, 4/27/11, 12/7/11
King County	00-000-3781	KCIT Enterprise Services CIP fund	Cover the Institutional Network equipment replacement. Repayment from the I-Net operating revenue and Public Educational and Government fees collected in I-Net operating fund (4531).	$1,520,000	$0	$27,036	n/a	2/28/2017	Pool Rate	KCIT Radio Communications CIP Fund (3473)	1/25/2012